

PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

This Purchase and Sale Agreement and Joint Escrow Instructions ("Agreement") is entered into as of _____ ("Effective Date") by and between the County of San Diego, a political subdivision of the State of California, as seller, ("County") and _____, _____, as buyer, ("Buyer") with reference to the following facts:

RECITALS

A. County is the owner of real property ("Property") located in the City of San Diego, County of San Diego, State of California, bounded by Union Street on the west, Front Street on the east, A Street on the north and Broadway on the south and consisting of an approximately 1.38-acre parcel of land [Assessor's Parcel Number 533-414-08 and 533-414-09] and an approximately 2.57-acre parcel of land [Assessor's Parcel Number 533-517-01], which is more particularly described in the attached EXHIBIT "A" LEGAL DESCRIPTION OF PROPERTY, and as shown on the map attached as EXHIBIT "B" LOCATION MAP.

B. The Property is improved by a County courthouse building ("Old County Courthouse"), jail building that is currently leased to Geo Group, Inc., a Florida corporation, doing business as "GEO California, Inc.," and a County fleet garage ("Improvements").

C. County and Buyer have entered into that certain Disposition and Development Agreement ("DDA") of even date herewith, pursuant to which Buyer (as "Developer") will develop the Property, including, but not limited to, (1) constructing an inmate tunnel connecting the County's downtown jail ("Central Jail") located at 1137 Front Street, San Diego to the State of California-owned new central court facility ("New Courthouse") at 1140 Union Street, San Diego including construction of improvements inside and adjacent to Central Jail and New Courthouse to accommodate the tunnel ("Inmate Tunnel"), and (2) abating and demolishing of the Old County Courthouse located on the Property, including abatement and demolition of two pedestrian bridges connecting the Old County Courthouse to the Central Jail and Hall of Justice and repair work to the remaining facilities caused by the demolition of the bridges, ("Demolition").

D. Pursuant to the DDA, Buyer intends to develop the Property as _____.

E. Pursuant to the DDA, Buyer and County have agreed to enter into this Agreement.

F. Buyer desires to purchase the Property from County, subject to County's

reservation of an easement for the construction and operation of the Inmate Tunnel, and County desires to sell the Property to Buyer for the price and under the terms and conditions specified in this Agreement.

G. This Agreement constitutes a Purchase and Sale Agreement and Joint Escrow Instructions to the Escrow Agent identified in this Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Buyer agree as follows:

ARTICLE 1 **DEFINITIONS**

As used in this Agreement, the following terms shall have the following definitions:

“Appurtenances” means all privileges, rights, easements appurtenant to the Property, and other easements and other rights-of-way included in, adjacent to, or used in connection with the beneficial use and enjoyment of the Property.

“Buyer” is defined in the preamble of this Agreement.

“Central Jail” is defined in Recital C of this Agreement.

“Close of Escrow” is defined in Section 4.4 of this Agreement.

“Closing Date” is defined in Section 4.4 of this Agreement.

“Closing Date Deadline” is defined in Section 4.4 of this Agreement.

“County” is defined in the preamble of this Agreement.

“DDA” is defined in Recital C of this Agreement.

“Deferred Purchase Price” is defined in Section 2.2.2 of this Agreement.

“Deferred Purchase Price Declaration” is defined in Section 2.2.2 of this Agreement.

“Demolition” is defined in Recital B of this Agreement.

“Deposit” is defined in Section 2.3.2 of this Agreement.

“Developer” is defined in Recital C of this Agreement.

“Due Diligence Investigation” is defined in Section 8.1 of this Agreement.

“Due Diligence Period” is defined in Section 8.2 of this Agreement.

“Effective Date” is defined in the preamble of this Agreement.

“Entitlements” means the non-appealable, final approval by the City of San Diego of a general plan amendment (if such an amendment is required for Buyer’s proposed development of the Property), tentative map, zoning approval, site development permit, conditional use permit (if required) and other approvals for the Property that are consistent with Buyer’s intended development of the Property pursuant to Buyer’s “Statement of Qualifications” dated _____, 2017 and Developer’s [revised] proposal dated _____, 2018 incorporated into the DDA as Exhibit B-5.

“Escrow Agent” and “Title Insurer” mean:

[TBD]

“Exception” means any encroachment, overlap, boundary line dispute or other matter that materially or adversely affects title to the Property as shown on the Preliminary Title Report.

“Extension Deposit” is defined in Section 2.3.1 of this Agreement.

“Extension Period” is defined in Section 2.3.1 of this Agreement.

“FTB” is defined in Section 4.5.1 (c).

“Geo Lease” is defined as that certain Lease Agreement with to Geo Group, Inc., a Florida corporation, doing business as “GEO California, Inc.” for the Old Jail dated July 26, 2011, as amended on December 1, 2014 and March 31, 2016.

“Grant Deed” means that document that is in substantially the same form as EXHIBIT “C” GRANT DEED and that is satisfactory to County, conveying to Buyer County’s title to the Property consistent with Section 5.1.2 Approval of Condition of Title.

“Hazardous Materials” means any substances that are flammable, explosive, asbestos, radioactive, or toxic and any substances defined or regulated as hazardous substances, hazardous materials, toxic substances, or hazardous waste under any Hazardous Materials Laws.

“Hazardous Materials Laws” means any and all federal, state or local laws, ordinances, rules, decrees, orders, regulations or court decisions (including “common law”) relating to hazardous substances, hazardous materials, hazardous waste, toxic substances, environmental

conditions on, under or about the Property, or soil or groundwater conditions, including, but not limited to, the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901, et seq.), the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 1801, et seq.), the California Hazardous Waste Control Act and the Carpenter-Presley-Tanner Hazardous Substance Account Act (Cal. Health & Safety Code Section 25100, et seq. and Section 25300, et seq.), the Safe Drinking Water and Toxic Enforcement Act (Cal. Health & Safety Code Section 25249.5, et seq.), the Porter-Cologne Water Quality Control Act (Cal. Water Code Section 13000, et seq.), and any amendments to, and regulations implementing, the foregoing.

“Improvements” is defined in Recital B of this Agreement and all other buildings, structures, fences, parking areas, or improvements located upon the Property or upon the Improvements, including fixtures, systems, and equipment attached to the land or Improvements and used in connection with the operation or occupancy of the Property and Improvements.

“Independent Consideration” is defined in Section 2.4 of this Agreement.

“Initial Deposit” is defined in Section 2.3 of this Lease.

“Inmate Tunnel” is defined in Recital C of this Agreement.

“Liquidated Damages” are defined in Section 2.3.2 of this Agreement.

“Minimum Purchase Price” is defined in Section 2.2 of this Agreement.

“New Courthouse” is defined in Recital C of this Agreement.

“New Exception” means any encroachment, overlap, boundary line dispute or other matter that materially or adversely affects title to the Property shown on any amended Preliminary Title Report issued by Title Insurer.

“Non-Refundable Consideration” is defined in Section 2.4 of this Agreement.

“Old County Courthouse” is defined in Recital B of this Agreement.

“Opening of Escrow” means the date on which the County and Buyer establish an escrow as further described in Section 4.2 of this Agreement.

“Permitted Density” means the maximum density authorized under approved Entitlements pursuant to the City of San Diego Municipal Code, not the number of units or square feet for which a building permit is issued.

“Permitted Exceptions” mean those matters shown on the Preliminary Title Report approved or deemed approved by Buyer under Section 5.1.2 or Section 5.1.3, the approved condition of title and matters excepted or excluded from coverage by the printed terms of the Title Policy’s standard form.

“Preliminary Title Report” is defined in Section 5.1.1 of this Agreement.

“Property” is defined in Recital A of this Agreement. The term “Property” shall include the Improvements and Appurtenances.

“Purchase Price” is defined in Section 2.2 of this Agreement.

“Section 1542” is defined in Section 5.3.3 of this Agreement.

“Temporary Construction Easement” is defined in Section 4.5.2 of this Agreement.

“Title Policy” means a standard form California Land Title Association Title Insurance Policy.

“Verizon Lease” is defined as that certain Lease Agreement with Verizon Wireless (VAW), LLC for portions of the Old County Courthouse dated September 22, 2008.

ARTICLE 2

PROPERTY; PURCHASE PRICE

2.1 Property. Subject to the terms of this Agreement, County agrees to sell to Buyer, and Buyer agrees to purchase from County, the Property, including the Improvements, all Appurtenances, and all rights under the Leases, and subject to County’s reservation of an easement for Buyer’s construction of the Inmate Tunnel and County’s operation of the Inmate Tunnel.

2.2 Purchase Price. The total purchase price for the Property (“Purchase Price”) shall be _____ dollars (“Minimum Purchase Price”) plus an amount based on the Permitted Density calculated as follows:

- (a) The Minimum Purchase Price plus;
- (b) _____ dollars (\$) for a Permitted Density of up to _____; plus
- (c) _____ dollars (\$) for a Permitted Density between _____ and _____; plus

(d) _____ dollars (\$) for a Permitted Density exceeding _____;

(e) Provided, however, that in no event shall the total Purchase Price be less than the Minimum Purchase Price.

2.2.1 Payment of Purchase Price. Except as set forth in Section 2.2.2, Buyer shall pay the Purchase Price in cash at Close of Escrow.

2.2.2 Deferred Purchase Price. In the event that the Property has not received Entitlements as described in Article 3 at the Close of Escrow, Buyer shall pay the Minimum Purchase Price in cash at the Close of Escrow, plus a deferred Purchase Price ("Deferred Purchase Price") equal to the positive difference, if any, between the Minimum Purchase Price and the Purchase Price calculated in accordance with the Permitted Density authorized under the approved Entitlements using the method described in Section 2.2 of this Agreement. The Deferred Purchase Price shall be payable in full in cash within thirty (30) days following receipt of Entitlements. Payment of the Deferred Purchase Price, if any, shall be secured by a recorded Declaration of Agreement to Pay Deferred Purchase Price ("Deferred Purchase Price Declaration") in the form attached to this Agreement as EXHIBIT "D" DEFERRED PURCHASE PRICE DECLARATION, recorded at the Close of Escrow. The provisions this Article 2 shall survive the Close of Escrow to the extent necessary to effectuate payment of the Deferred Purchase Price.

2.3 Initial Deposit. Buyer shall pay into escrow a deposit ("Initial Deposit") in the amount of _____ dollars (\$) upon the Opening of Escrow.

2.3.1 Extension of Closing Date Deadline; Extension Deposit. If the Close of Escrow does not occur on or before the Closing Date Deadline, Buyer may extend the Closing Date Deadline by _____ () periods of _____ () days each (each an "Extension Period") by providing written notice to County of its desire to so extend pursuant to Section 10.10 and depositing into escrow an additional deposit (each an "Extension Deposit") of _____ dollars (\$) ten (10) business days before the end of the original _____-day escrow period, or ten (10) business days before the end of the applicable _____-day Extension Period.

2.3.2 Deposits. The Initial Deposit and Extension Deposit(s), as applicable, may be referenced individually in this Agreement or collectively referred to as the "Deposit" in this Agreement. If the Close of Escrow for the sale of the Property occurs the Deposit shall be applied to the Purchase Price. If the Close of Escrow for the sale of the Property does not occur prior to the Closing Date Deadline, the Deposit shall be paid to County as liquidated damages ("Liquidated Damages") as provided in Section 4.7.4 Liquidated Damages of this Agreement.

2.4 Consideration. Concurrently with the Opening of Escrow, Buyer shall deposit into escrow the amount of one hundred dollars (\$100.00) ("Independent Consideration"). The Independent Consideration shall be non-refundable to Buyer as independent consideration for the rights extended to Buyer under this Agreement, including without limitation, the right and option to terminate this Agreement as provided in this Agreement. Escrow Agent shall release the Independent Consideration to County immediately following Buyer's delivery of the Deposit. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement, County shall retain the Independent Consideration. The Independent Consideration shall not be treated as consideration given by County for any purpose other than as stated in this section.

ARTICLE 3

ENTITLEMENTS

3.1 Applications for Entitlements. Buyer shall have the right to process applications, plans, maps, zoning changes, site approvals, agreements and other documents that are required for Buyer to obtain Entitlements. Buyer shall not submit an application for less than either (i) the entire Property, or (ii) the portion of the entire Property that will not be developed under the underlying zoning existing at the time of the Opening of Escrow. If requested by Buyer, County shall sign applications and other documents necessary or appropriate for Buyer to process for approval Buyer's proposed development of the Property, including, but not limited to, the Entitlements and other entitlements and documents referred to in this Article 3.

3.2 County's Interest in Entitlements. Buyer acknowledges that County has continuing interest in the Entitlements because of the method of computation of the Purchase Price. Buyer agrees that in connection with obtaining Entitlements: (i) Buyer shall use commercially reasonable, good faith efforts to obtain Entitlements that maximize the Purchase Price, and (ii) Buyer shall keep County fully informed of the progress of all applications for the Entitlements and any hearings or negotiations related to any applications for the Entitlements, including, but not limited to, any proposed revisions or amendments to such applications. Notwithstanding the foregoing, Buyer shall have the right to revise or amend applications for Entitlements in its sole discretion and without County's consent, provided that, in no event shall such revisions or amendments result in a Purchase Price for the Property of less than the Minimum Purchase Price. County may review the applications, plans, maps, agreements and other documents that Buyer and its consultants have prepared and submitted to obtain Entitlements, provided, however, that such right shall not extend to items that are proprietary, confidential or privileged. The provisions of this Article 3 shall survive the Close of Escrow as necessary to effectuate the County's continuing interest in the Entitlements.

ARTICLE 4

ESCROW

4.1 **Escrow Agent.** Escrow Agent is designated, authorized and instructed to act in accordance with the terms of this Agreement.

4.2 **Opening of Escrow.** Opening of Escrow shall occur within ten (10) business days of the Effective Date of this Agreement.

4.3 **Escrow Instructions.** This Agreement shall constitute initial escrow instructions to Escrow Agent. County and Buyer shall execute a copy of Escrow Agent's general conditions and any additional escrow instructions reasonably required by Escrow Agent to consummate the transaction provided for in this Agreement after Opening of Escrow; provided, however, any additional escrow instructions shall not modify the provisions of this Agreement, unless the instructions (i) state the modification in full and (ii) are signed by both County and Buyer. In the event of any conflict between the terms of this Agreement and the terms of Escrow Agent's general conditions, the terms of this Agreement shall prevail.

4.4 **Close of Escrow.** The "Close of Escrow" or "Closing Date" shall occur on the day the Escrow Agent records the Grant Deed to the Property in favor of Buyer and delivers the Purchase Price, less applicable charges and adjustments, to County. The Close of Escrow shall occur no later than _____ (__) days following the Opening of Escrow ("Closing Date Deadline"). The Closing Date Deadline shall be extended (i) by one day for each day of delay, at no cost of Buyer, where the delays have been caused by any act or omission of County; or (ii) if Buyer extends the Closing Date Deadline pursuant to Section 2.3.1 of this Agreement; or (iii) by the mutual written agreement of County and Buyer.

4.5 **Deliveries to Escrow.** Prior to the Close of Escrow, County and Buyer shall timely deliver to Escrow Agent the funds and documents required to cause the Close of Escrow. Without limiting the generality of the foregoing, County and Buyer shall deliver to Escrow Agent the following:

4.5.1 **County's Deliveries.** County shall deliver or cause to be delivered to Escrow Agent:

(a) the Grant Deed conveying the Property to Buyer, duly executed by County and acknowledged in recordable form conveying to Buyer good and marketable fee simple title to the Property, subject only to the Permitted Exceptions;

(b) copies of the Geo Lease and the Verizon Lease;

(c) an affidavit executed by County to the effect that County is not a "foreign person" within the meaning of Internal Revenue Code Section 1445, as amended;

(d) a State of California Franchise Tax Board ("FTB") Form 593C and any additional forms required by FTB, all completed by County; and

(e) any and all additional documents which may be reasonably necessary to transfer title to the Property to Buyer as specified in this Agreement or otherwise required by law.

4.5.2 Buyer's Deliveries. Buyer shall deliver or cause to be delivered to Escrow Agent:

(a) upon the Opening of Escrow, cash in the amount of the Deposit;

(b) at the Close of Escrow, cash in the amount of the Purchase Price, less the Deposit, plus any additional sums required of Buyer under this Agreement for special assessment prorations, expenses and adjustments, which may be deposited by Buyer with Escrow Agent by wire transfer;

(c) if applicable, a duly executed Deferred Purchase Price Declaration in the form attached to this Agreement as EXHIBIT "D" DEFERRED PURCHASE PRICE DECLARATION, by which Buyer shall be obligated to pay the Deferred Purchase Price in full in cash within thirty (30) days following receipt of Entitlements.

(d) a duly executed Assignment of Lease in the form attached to this Agreement as EXHIBIT "E" ASSIGNMENT OF LEASE FORM for the Geo Lease, by which Buyer assumes County's interest as lessor under the lease;

(e) a duly executed Assignment of Lease in the form attached to this Agreement as EXHIBIT "E" ASSIGNMENT OF LEASE FORM for the Verizon Lease, by which Buyer assumes County's interest as lessor under the lease, if Close of Escrow will occur prior to the expiration of the Verizon Lease;

(f) a duly executed Temporary Construction Easement in the form attached to this Agreement as EXHIBIT "F" TEMPORARY CONSTRUCTION EASEMENT, by which Buyer grants County the right to perform all activities on the Property necessary to construct the Inmate Tunnel and Demolition; and

(g) any and all additional documents which may be reasonably necessary to transfer title to the Property to Buyer as specified in this Agreement or otherwise required by law.

4.6 Completion of Documents. Escrow Agent is authorized to complete the documents deposited by County and Buyer into Escrow, when appropriate and consistent with this Agreement.

4.7 Escrow Fees and Costs.

4.7.1 County's Payments. County shall pay:

(a) all government conveyance fees and taxes in the amount Escrow Agent determines to be due upon the transfer of the Property or otherwise required by law; and

(b) other "seller's charges and expenses", in accordance with the customary practices of Escrow Agent. County shall pay all operating expenses for the Property prior to the Closing Date, including, but not limited to, insurance, utilities, interest on encumbrances, taxes and maintenance costs.

4.7.2 Buyer's Payments. Buyer shall pay:

(a) the Escrow Agent's escrow fee;

(b) any escrow termination charge;

(c) the cost of the Title Policy described in Section 5.2 of this Agreement;

(d) other "buyer's charges and expenses", in accordance with the customary practices of Escrow Agent; and

(e) any special assessments from the Closing Date through the end of the current tax year, in accordance with the tax demand received from the San Diego County Treasurer-Tax Collector.

4.7.3 Default. Notwithstanding Section 4.7.2 of this Agreement, in the event of a default by Buyer or County under this Agreement, all cancellation and other escrow charges shall be paid by the defaulting party.

4.7.4 Liquidated Damages. **In the event the Close of Escrow does not occur due to a Buyer default under this Agreement, the Agreement will terminate and the rights and obligations of the parties will terminate and the Deposit will be immediately delivered by escrow holder to County on County's request. Except as provided in the DDA, the Deposit shall be deemed Liquidated Damages for Buyer's nonperformance as County's sole and exclusive remedy against Buyer (including, without limitation, County's right to seek specific performance of this Agreement and to receive damages) for Buyer's failure to purchase the Property under this Agreement. The damages caused by a Buyer default under this Agreement will be extremely difficult and impractical to ascertain for the**

following reasons: (i) the damages to which County would be entitled in a court of law will be based in part on the difference between the actual value of the Property at the Closing Date Deadline and the Purchase Price for the Property set forth in this Agreement; (ii) proof of the amount of the damages will be based on opinions of value of the Property which can vary in significant amounts; and (iii) it is impossible to predict as of the Effective Date of this Agreement whether the value of the property will increase or decrease as of the Closing Date. Buyer desires to limit the amount of damages for which Buyer might be liable should Buyer breach this Agreement. Buyer and County wish to avoid the costs and lengthy delays which would result if County filed a lawsuit to collect its damages for a breach of this Agreement.

Therefore, the Deposit shall be deemed to constitute a reasonable estimate of County's damages under the provisions of State of California Civil Code Section 1671 and, except as provided below, County's sole and exclusive remedy in the event the Close of Escrow does not occur as a result of Buyer's default under this Agreement shall be limited to the Deposit. Nothing contained in this section shall waive or otherwise limit County's remedies or damages from claims of County against Buyer arising out of Buyer's indemnification obligations under this Agreement, or waive or otherwise limit County's rights to obtain from Buyer all of County's costs and expenses of enforcing the Liquidated Damages provision, including, without limitation, attorney's fees and costs. Buyer and County have reviewed the effect of this provision with legal counsel and have agreed that the Liquidated Damages are a reasonable and fair estimate of the damages County will sustain. By initialing this provision in the spaces below, County and Buyer each specifically affirm their respective agreements contained in this section.

Buyer's Initials: _____

County's Initials: _____

4.8 Existing Encumbrances. Escrow Agent is authorized to secure beneficiary demands and requests for reconveyance for those monetary liens which are not a Permitted Exception. County has the right to approve all demands and statements described in this section, but approval shall not be unreasonably withheld or delayed.

ARTICLE 5

TITLE MATTERS

5.1 Preliminary Title Report.

5.1.1 Delivery to Buyer. Buyer has received a copy of the Preliminary Title Report No. _____ dated _____ ("Preliminary Report"), issued by Title Insurer reflecting the status of title to the Property.

5.1.2 Approval of Condition of Title. Buyer approves the condition of title to the Property, including the Permitted Exceptions. There are no items to be cleared from the title by County prior to Close of Escrow.

5.1.3 Amendment of Preliminary Report. If any New Exception to the Preliminary Title Report arises after the Effective Date and prior to the Close of Escrow, then Buyer may elect, at any time prior to Close of Escrow, to either (i) waive any objection it may have to any New Exception and accept title to the Property subject to the New Exception, (ii) request that County remove the New Exception, or (iii) terminate this Agreement.

5.2 Title Insurance. Title Insurer shall issue a Title Policy insuring Buyer's title to the Property in the amount of the Purchase Price, subject only to the Permitted Exceptions.

5.3 Condition of the Property.

5.3.1 As Is Purchase; No Seller Representations. **Except as otherwise provided in this Agreement, Buyer has agreed to accept possession of the Property on the Closing Date on an "As Is" Basis. County and Buyer agree that the Property will be sold "As Is, Where is, With All Faults" with no right of set-off or reduction in the Purchase Price. Except as explicitly set forth in Section 7.1, County makes no representations or warranties, express or implied, regarding the Property or matters affecting the Property, whether made by County, on County's behalf, or otherwise, including, without limitation, the physical condition of the Property (including, without limitation, any improvements on the Property); the size or square footage of the Property or any improvements; the age of any improvements, title to, or the boundaries of the Property; pest control matters; utilities; soil conditions; geology; the fact that all or a portion of the Property may be located on or near an earthquake fault line or a flood zone; the presence, existence or absence of Hazardous Materials or other environmental issues; compliance with building, health, safety, land use and zoning laws; structural and other engineering characteristics (including seismic damage); economic conditions or projections, including income to be derived from the Property; or any other information pertaining to the Property (including, without limitation, any due diligence materials or document delivered by County to Buyer under this Agreement) or the market and physical environments in which the Property is located. Buyer assumes sole and complete responsibility for the Property upon transfer of title, all risk of adverse physical characteristics and existing conditions, tort liability, and compliance with any and all federal, state and local laws, regulations, rules, orders or ordinances relating to the condition of the Property, including Hazardous Materials Laws.**

5.3.2 Buyer's Reliance on its Investigations. Buyer acknowledges that Buyer is taking the Property "as is" with any and all latent and patent defects and that there is no warranty by County that the Property is fit for a particular purpose. Buyer acknowledges that, except as expressly provided in Section 7.1, it is not relying upon any representation, statement or other assertion with respect to the condition of the Property, but is relying upon the examination of the

Property. Buyer takes the Property under the express understanding that, except as expressly provided in this Agreement, there are no express or implied warranties (except for limited warranties of title set forth in the deed to be delivered at the Close of Escrow).

The provisions of this section shall survive indefinitely the Closing Date or termination of this Agreement and shall not be merged into the closing documents.

Buyer's Initials: _____

Buyer's Initials: _____

5.3.3 Section 1542 Waiver. Buyer acknowledges that it has read and is familiar with the provisions of State of California Civil Code Section 1542 ("Section 1542"), which is set forth below:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."

By initialing below, Buyer waives the provisions of Section 1542 solely in connection with the matters which are the subject of the foregoing waivers and releases:

Buyer's Initials: _____

Buyer's Initials: _____

The waiver and release by Buyer shall survive indefinitely the Closing Date or termination of this Agreement and shall not be merged into the closing documents.

5.3.4 Condition of Title. It shall be a condition to the Close of Escrow for Buyer's benefit that title to the Property shall be conveyed to Buyer by the Grant Deed subject to the following condition of title:

(a) matters affecting the condition of title created by or with the written consent of Buyer;

(b) all applicable laws, ordinances, maps, resolutions, rules and regulations (including, but not limited to, those relative to building, zoning and land use) of all governmental authorities affecting the Property or the development, use, occupancy or enjoyment of the Property; and

(c) all matters which an accurate survey of the Property made at the time of the Closing Date would show and any facts which a personal inspection of the Property made at the time of the Closing Date would disclose.

ARTICLE 6

CLOSE OF ESCROW

6.1 Buyer's Conditions to Close of Escrow. Close of Escrow shall be subject to satisfaction or waiver of each of the following conditions precedent for the benefit of Buyer:

- (a) the Title Insurer's written agreement to issue or issuance of the Title Policy in the form required by Section 5.2;
- (b) the continued accuracy of the representations and warranties of County set forth in Section 7.1; and
- (c) seven (7) days advance notice from Escrow Agent or County before Buyer is required to deliver the Purchase Price to Escrow Agent.

6.1.1 Waiver of Buyer's Conditions to Close of Escrow. Buyer may unilaterally waive, in writing, any or all of the conditions described in Section 6.1. If Buyer elects to proceed with the Close of Escrow, notwithstanding the nonsatisfaction of a condition in Section 6.1, there shall be no liability on the part of County for breaches of representations and warranties of which Buyer had knowledge as of the Closing Date.

6.1.2 Failure of Conditions; Termination by Buyer. If any of the conditions described in Section 6.1 is neither satisfied nor waived, Buyer may terminate this Agreement and the escrow by giving written notice of termination to County and Escrow Agent. In the event of termination, Buyer shall be relieved of any obligation to purchase the Property and to pay any costs associated with this Agreement. The termination of this Agreement shall not limit any other legal rights and remedies available to Buyer if the failure of conditions is the result of a default by County.

6.2 County's Conditions to Close of Escrow. Close of Escrow shall be subject to satisfaction or waiver of each of the following conditions precedent for the benefit of County:

- (a) the continued accuracy of the representations and warranties of Buyer set forth in Section 7.2 in all material respects;
- (b) as of the Closing Date, Buyer shall have performed its obligations under this Agreement and all deliveries to be made at the Close of Escrow have been tendered, including those required under Section 4.5.2;
- (c) there shall exist no actions, suits, arbitrations, claims, attachments, proceedings, assignments for the benefit of creditors, insolvency, bankruptcy, reorganization or other proceedings, pending or threatened against Buyer that would materially and adversely affect Buyer's ability to perform its obligations under this Agreement;

(d) there shall exist no pending or threatened action, suit or proceeding with respect to Buyer before or by any court or administrative agency which seeks to restrain or prohibit, or to obtain damages or a discovery order with respect to, this Agreement or the consummation of the transaction contemplated by this Agreement; and

(e) Buyer shall not be in default of any material obligation under this Agreement or the DDA.

6.2.1 Waiver of County's Conditions to Close of Escrow. County may unilaterally waive, in writing, any or all of the conditions described in Section 6.2. If County elects to proceed with the Close of Escrow, notwithstanding the nonsatisfaction of a condition in Section 6.2, there shall be no liability on the part of Buyer for breaches of representations and warranties of which County had knowledge as of the Closing Date.

6.2.2 Failure of Conditions; Termination by County. If any of the conditions described in Section 6.2 is neither satisfied nor waived, County may terminate this Agreement and the escrow by giving written notice of termination to Buyer and Escrow Agent. In the event of termination, County shall be relieved of any obligation to sell the Property to Buyer and to pay any costs associated with this Agreement. The termination of this Agreement shall not limit any other legal rights and remedies available to County if the failure of conditions is the result of a default by Buyer.

6.3 Prorations. For purposes of prorations only, on the Closing Date the Property shall be considered to be owned by Buyer and all prorations provided in this Agreement to be made as of the Closing Date shall each be made as of the end of the day before the Closing Date. In each proration set forth below, the portion of the proration applicable to periods beginning as of Closing Date shall be credited to Buyer or charged to Buyer as applicable and the portion of the proration applicable to periods ending as of Closing Date shall be credited to County or charged to County as applicable.

6.4 Distribution of Funds and Documents. On the Closing Date, Escrow Agent shall:

6.4.1 Recordation of Documents. Submit to the County Recorder of San Diego County the Grant Deed for the Property, the Temporary Construction Easement, the Deferred Purchase Price Declaration, if applicable, and any other document to be recorded under the terms of this Agreement or by general usage, and, after recordation, cause the County Recorder to mail the Grant Deed to the Buyer, and any other document recorded pursuant to this Agreement to that person acquiring rights under this Agreement for whose benefit the document was recorded.

6.4.2 Non-Recorded Documents. Deliver by United States mail (or hold for personal pickup, if requested):

- (a) the Title Policy to Buyer;
- (b) one (1) signed copy of Escrow Agent's closing statement showing all receipts and disbursements of the escrow to both County and Buyer;
- (c) the documents required in Section 4.5.1(b)-(e); and
- (d) any other non-recorded document received under this Agreement to the payee or person acquiring rights under this Agreement or for whose benefit the document was acquired.

6.4.3 Distribution of Funds. Deliver by United States mail (or as otherwise instructed by the receiving party):

- (a) to County, or order, the cash portion of the Purchase Price, adjusted for charges, credits and debits provided for in this Agreement; and
- (b) to Buyer, or order, any excess funds delivered to Escrow Agent by Buyer.

ARTICLE 7

REPRESENTATIONS AND WARRANTIES

7.1 County's Representations and Warranties. County warrants that as of the date of this Agreement and as of the Close of Escrow:

7.1.1 Authority. County has full legal right, power and authority to execute and fully perform its obligations under this Agreement, without the need for any further action and the persons executing this Agreement and other documents required under this Agreement on behalf of County are the only persons required to execute the documents to legally effect the transactions contemplated by this Agreement and are fully authorized to do so.

7.1.2 Claims, Litigation. There is no action or proceeding pending and, to County's knowledge, County has received no written notice of any threatened actions or proceedings against County or the Property, including condemnation proceedings, which challenges or impairs County's ability to execute or perform its obligations under this Agreement.

7.1.3 Governmental Regulations. To County's knowledge, County has received no notice of violation of any applicable zoning regulation or ordinance or other law, order, ordinance, rule, regulation, code or requirement affecting or relating to the construction, use or occupancy of the Property, nor any written notice of violation of any covenant, condition or

restriction affecting the Property.

7.1.4 County's Knowledge. "County's knowledge" as used in this Agreement means the current, actual knowledge of County's officers, and employees, without any duty of inquiry or investigation and without any personal liability. The term "written notice" to County, or similar phrases, as used in this Agreement shall mean written notice addressed specifically to County and actually received in County's offices at the address stated in Section 10.10 of this Agreement. County's representations and warranties are qualified by any knowledge obtained by Buyer during its Due Diligence Investigation and by any due diligence materials delivered by County to the Buyer under this Agreement.

7.2 Buyer's Representations and Warranties. As a material inducement to County to execute this Agreement and consummate this transaction, Buyer represents and warrants to County that:

(a) Authority. Buyer has full legal right, power and authority to execute and fully perform its obligations under this Agreement, without the need for any further action and the persons executing this Agreement and other documents required under this Agreement on behalf of Buyer are the only persons required to execute the documents to legally effect the transactions contemplated by this Agreement and are fully authorized to do so.

(b) Conflicts and Pending Action. There is no agreement to which Buyer is a party or to Buyer's knowledge binding on Buyer which is in conflict with this Agreement. There is no action or proceeding pending or, to Buyer's knowledge, threatened against Buyer which challenges or impairs Buyer's ability to execute or perform its obligations under this Agreement.

ARTICLE 8

ACCESS TO PROPERTY; DUE DILIGENCE

8.1 Access to Property. Commencing on the Opening of Escrow County shall allow Buyer and its agents reasonable access to the Property, during reasonable business hours and upon reasonable notice, for the purpose of inspecting, surveying and testing the Property, including examination of soils, building materials, environmental factors, Hazardous Materials and archeological information, and for other purposes reasonably related to Buyer's right to purchase the Property ("Due Diligence Investigation"). Buyer shall perform all work in a safe manner, repair any damage to the Property, and Buyer shall indemnify County as provided in Section 8.3 of this Agreement. Access shall be coordinated with County, and County may require all access to be supervised by an authorized representative of County.

Access to the Property shall be subject to the following conditions:

(a) The Due Diligence Investigation shall be conducted in full compliance

with all laws, zoning restrictions, ordinances, rules, regulations or requirements of any governmental or quasi-governmental agency with jurisdiction over the Property.

(b) Prior to entering the Property to perform its Due Diligence Investigation, Buyer or Buyer's contractors shall provide County a certificate of insurance showing that Buyer or Buyer's contractor maintains in full force and effect a policy of comprehensive general liability insurance (i) covering the activities of Buyer or Buyer's contractor (including employees, independent contractors and agents) in connection with the Due Diligence Investigation, (ii) in an amount of not less than two million dollars (\$2,000,000) combined single limit for bodily injury, personal injury and property damage, per occurrence, and contractual liability from a carrier reasonably acceptable to County, (iii) naming County and its Board of Supervisors as additional insureds by separate endorsement, and (iv) requiring at least thirty (30) days written notice to County prior to cancellation or reduction in coverage.

(c) Any testing or investigation involving physical invasion or sampling of the components of the improvements or the surface of the Property are to be made by Buyer only after obtaining the express written consent of County, which may be withheld or conditioned in County's sole discretion.

(d) Promptly after any physical inspection of the Property, Buyer at its sole cost shall restore the Property to the condition that existed immediately prior to the inspection.

(e) Buyer shall not permit any mechanics' or other liens to be filed against the Property as a result of Buyer exercising its right of entry and Buyer at its sole cost shall cause any liens so filed to be removed within five (5) days after filing, by bond or otherwise.

(f) Buyer's obligations under this section shall survive the Closing Date or the termination of this Agreement.

8.2 Due Diligence. In addition, Buyer shall have up to ninety (90) days from Opening of Escrow ("Due Diligence Period") to object to the condition of the Property based upon its due diligence performed and shall have the unilateral right to terminate this Agreement with County within the Due Diligence Period if such condition is unacceptable to Buyer by delivering to County written notice of such termination.

8.3 Buyer's Indemnity. Buyer shall indemnify, defend and hold County, its elected officials, officers, employees, trustees, agents, successors and assigns harmless from and against any and all claims, liens, demands, losses, damages, liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, and all costs and expenses incurred in connection with any entry onto the Property (including, without limitation, reasonable attorneys' fees, reasonable costs of defense, and reasonable costs and expenses of all experts and consultants), arising directly or indirectly, in whole or in part, out of Buyer's Due Diligence Investigation, including but not limited to any investigative or construction related

activity, or any other act or omission in connection with the Property by or on behalf of Buyer or its employees, invitees, agents or contractors and any contract, agreement or commitment entered into by Buyer in connection with the Property. Buyer's obligations under this section shall survive the Closing Date or the termination of this Agreement.

ARTICLE 9

ASSIGNMENT OF RENTS

Commencing on the first day of the calendar month after the expiration of the Due Diligence Period until the Closing Date Deadline or earlier termination of the PSA, the County shall assign the rents under the lease agreements with the Geo Lease and the Verizon Lease, if the Verizon Lease has not yet expired, to Buyer pursuant to the form Assignment of Rents, attached as EXHIBIT "G" and incorporated into this Agreement by this reference.

ARTICLE 10

GENERAL PROVISIONS

10.1 Assignment. Buyer shall not have the right to assign its rights or obligations under this Agreement.

10.2 Contingency. This Agreement shall bind Buyer and County only following its approval by County's Board of Supervisors and execution by the authorized signatory of Buyer and County.

10.3 Entire Agreement. This Agreement together with all exhibits attached to this Agreement and other agreements expressly referred to in this Agreement, constitutes the entire agreement between County and Buyer with respect to the subject matter contained in this Agreement. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

10.4 Exhibits. All exhibits referred to in this Agreement are attached to this Agreement and are incorporated into this Agreement by reference.

10.5 Further Assurances. County and Buyer shall perform any further acts and execute and deliver any additional documents and instruments that may be reasonably required to carry out the provisions of this Agreement and the intentions of County and Buyer.

10.6 Governing Law. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

10.7 Construction. The captions and section headings used in this Agreement are inserted for convenience only and are not intended to define, limit or affect the construction or interpretation of any term or provision of this Agreement. Whenever required by the context of this Agreement, the singular shall include the plural and vice versa. This Agreement shall not be construed as if it had been prepared by County or Buyer, but rather as if County and Buyer had jointly prepared this Agreement.

10.8 Modification, Waiver, Amendment. No modification, waiver, amendment or discharge of this Agreement shall be valid unless the modification, waiver, amendment or discharge is in writing and signed by County and Buyer.

10.9 No Other Inducement. The making, execution and delivery of this Agreement by the County and Buyer has been induced by no representations, statements warranties or agreements other than those expressed in this Agreement.

10.10 Notices. All notices or other communications required or permitted under this Agreement shall be in writing, and shall be personally delivered by a reputable courier delivery service, sent by United States Postal Service certified mail, postage prepaid, return receipt requested, or sent by telecopy or e-mail, and shall be deemed received upon the earlier of (i) if personally delivered or delivered by a reputable courier delivery service, the date of delivery to the address of the person to receive the notice, (ii) if mailed, two (2) business days after the date of posting by the United States Postal Service, (iii) if given by telecopy or e-mail, when sent. Any notice, request, demand, direction or other communication sent by telecopy or e-mail must be confirmed within forty-eight (48) hours by letter mailed or delivered in accordance with this section.

If to County: County of San Diego
Department of General Services
Attention: Marko Medved, P.E., CEM, Director
5560 Overland Avenue
Suite 410
San Diego, California 92123
Telephone: 858-694-2291 [Real Estate Services Division]
Facsimile: 858-694-2369 [Real Estate Services Division]

If to Buyer: _____
Attention: _____

Telephone: _____
e-mail: _____
Facsimile: _____

With a copy to:

Attention: _____

Telephone: _____

e-mail: _____

Facsimile: _____

If to Escrow Agent: [TBD] _____

Attention: _____

Telephone: _____

e-mail: _____

Facsimile: _____

Any notice of change of address shall be given by written notice in the manner detailed in this section. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given shall be deemed to constitute receipt of the notice, demand, request or communication sent.

10.11 Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

10.12 Specific Performance and Other Remedies. If County defaults in its obligation to sell and convey the Property to Buyer pursuant to this Agreement, Buyer's sole remedy shall be to elect one of the following: (i) to terminate this Agreement, or (ii) to bring a suit for specific performance provided that any suit for specific performance must be brought within ninety (90) days of County's default, to the extent permitted by law, and Buyer waives the right to bring suit at any later date. This Agreement confers no present right, title or interest in the Property to Buyer and Buyer agrees not to file a lis pendens or other similar notice against the Property except in connection with, and after, the proper filing of a suit for specific performance.

10.14 Successors. Subject to the limitations on assignment set forth in Section 9.1, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by County and Buyer and their respective heirs, legal representatives, successors, and assigns.

10.15 Time. Time is of the essence of each provision of this Agreement.

10.16 Time Period Computation. All periods of time referred to in this Agreement shall

include all Saturdays, Sundays and County, State or national holidays, unless the period of time specifies business days, provided that if the date or last date to perform any act or give any notice or approval shall fall on a Saturday, Sunday or County, State or national holiday, the act or notice may be timely performed or given on the next succeeding day which is not a Saturday, Sunday or County, State or national holiday.

10.17 Waiver. The waiver by one party of the performance of any term, provision, covenant or condition shall not invalidate this Agreement, nor shall it be considered as a waiver by the party of any other term, provision, covenant or condition. Delay by any party in pursuing any remedy or in insisting upon full performance for any breach or failure of any term, provision, covenant or condition shall not prevent the party from later pursuing remedies or insisting upon full performance for the same or any similar breach or failure.

10.18. Effective Date. County and Buyer have duly executed this Agreement as of the day and year written below. This Agreement shall be effective as of the date of its execution by the County's Director of the Department of General Services.

THE REMAINDER OF THIS PAGE HAS BEEN LEFT INTENTIONALLY BLANK
THE SIGNATURES ARE ON THE FOLLOWING PAGE

SIGNATURES

COUNTY:

County of San Diego,
a political subdivision of the State of California

Date: _____

By: _____
Marko Medved, P.E., CEM, Director
Department of General Services

BUYER:

Date: _____

By: _____

ACCEPTANCE BY ESCROW HOLDER:

_____ acknowledges that it has received a fully executed counterpart of the Agreement and agrees to act as Escrow Holder under the Agreement and to be bound by and perform the terms of the Agreement as the terms apply to Escrow Holder.

Dated: _____

By: _____

Name: _____

Title: _____

DRAFT

EXHIBIT “A”
LEGAL DESCRIPTION

Parcel No. 2017-0162-A

(8-23-2017)

(WAR:TJM:tjm)

Lots 1 through 6, inclusive, of the re-subdivision of Fractional Block 11 of MIDDLETOWN, and Lots G through L, inclusive, of Fractional Block “J” of HORTON’S ADDITION, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over B Street.

APN: 533-414-08 and 533-414-09

Parcel No. 2017-0162-B

(8-23-2017)

(WAR:TJM:war)

Lots 1 through 6, inclusive, in Block 2 as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, and Lots G through L, inclusive, of Block “K” of HORTON’S ADDITION according to Map thereof made by L.L. Lockling, in the City of San Diego, County of San Diego, State of California, according to Map thereof filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH all underlying fee interests in the adjoining streets if any, and all of the County of San Diego interests in the portions of the building crossings over B Street and C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-C

(8-23-2017)

(WAR:TJM:war)

All of Block "D" as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH Lots G through L, inclusive, in Block "L" of HORTON'S ADDITION, in the City of San Diego, County of San Diego, according to Map thereof made by L.L. Lockling, filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-D

(10-02-2017)

(TJM:war)

RESERVING THEREFROM, an easement to construct and operate an underground county inmate tunnel for the pedestrian transportation of inmates between the Central Jail and the State Courthouse under and through a portion of Block 2 and portions of Union Street all as shown on Map of Middletown, and a portion of Block "K" and portions of Front Street all as shown on Horton's Addition according to Map thereof made by L.L. Lockling in the City of San Diego, county of San Diego, state of California, according to partition map thereof made by order of the reference in the case of Baldwin, et al vs. Coutts, et al, in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the office of the Clerk of San Diego County, January 1874; lying Southerly and Southeasterly of a line being 100.00 feet Northerly and Northwesterly, measured at right angles from the following described line:

COMMENCING at the Southeast corner of Block 3 of said Map of Middletown;

THENCE along the Easterly line of said Block 3, as shown on Record of Survey Map No. 19984, recorded November 30, 2007 in the office of the San Diego County Recorder, North 0°29'36" East, 98.31 feet to a point herein designated as **Point "A"**;

THENCE leaving said Easterly line, North 89°38'39" West, 0.66 feet, to the connection point with

said State Courthouse basement and the **TRUE POINT OF BEGINNING**; thence retracing South 89°38'39" East, 0.66 feet to said **Point "A"**;

THENCE South 89°38'39" East, 160.34 feet;

THENCE North 66°28'04" East, 67.62 feet;

THENCE South 89°25'58" East, 124.21 feet, to the Westerly line of Block "H" of said Horton's Addition, also being the **POINT OF TERMINUS**.

The said Northerly and Northwesterly line shall be shortened so as to terminate on the centerlines of said Union and Front Streets, and the Southerly line of the hereinabove reserved easement shall terminate Easterly in the Easterly prolongation of the Southerly line of said Block "K", and shall terminate Westerly in the Westerly prolongation of the Southerly line of said Block 2.

EXCEPTING THEREFROM that portion lying above a sloping plane having an elevation of 30.00 feet along the Southerly lines of said Block 2 and said Block "K", and having an elevation of 36.50 feet along the Northerly lines of said Block 2 and said Block "K".

Elevations are based on the National Geodetic Vertical Datum of 1929 (NGVD29) based locally on the City of San Diego Benchmark at the Northeast corner of Union street and "B" streets (Benchmark No. 2569, having an elevation 41.581 feet).

TOGETHER WITH the right to extend ties and soil stabilization improvements beyond the limits of the easement if required.

It is intended that this easement shall be used to construct an underground pedestrian tunnel below any existing structures built on the land described above.

Grantor hereby further reserves reasonable and temporary rights of ingress and egress and access to the above described easement area through the property herein described as may be necessary, from time to time, to enable Grantor to effectuate the purpose of the easement as described herein.

APN: Portion 533-517-01

EXHIBIT "B"
LOCATION MAP

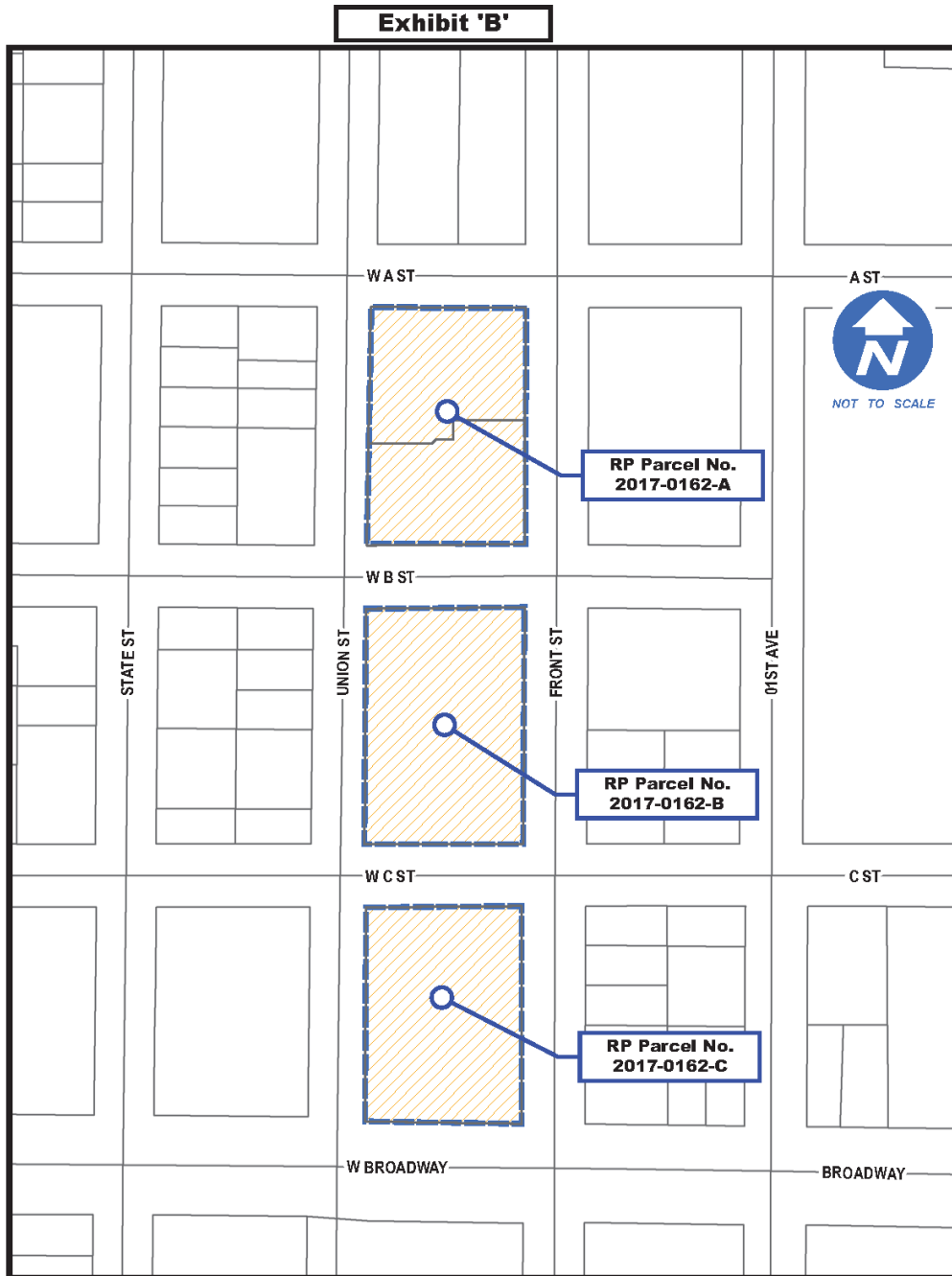


EXHIBIT “C”
GRANT DEED
(Begins on the following page)

DRAFT

RECORDING REQUESTED BY DEPARTMENT OF GENERAL
SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO
PER GOVERNMENT CODE SECTION 27383

**WHEN RECORDED, PLEASE RETURN
THIS INSTRUMENT TO:**

Copy to:
Department of General Services
Attn: Tom McCabe, Senior Land Surveyor
5560 Overland Ave., 4th Floor, Suite 410
San Diego, California 92123

SPACE ABOVE FOR RECORDER'S USE ONLY

GRANT DEED

TRANSFER TAX DUE _____

Assessor's Parcel No's. 533-414-08, 533-414-09, and 533-517-01

Project: Downtown Court

Parcel No.: 2017-0162-A,B,C,D,E, F & G

For a valuable consideration, the receipt of which is hereby acknowledged,

COUNTY OF SAN DIEGO, a political subdivision of the State of California (Grantor)

hereby grants, in FEE, to _____
(Grantee), all that real property in the County of San Diego, State of California described as follows:

Parcel No. 2017-0162-A

(8-23-2017)

(WAR:TJM:tjm)

Lots 1 through 6, inclusive, of the re-subdivision of Fractional Block 11 of MIDDLETOWN, and Lots G through L, inclusive, of Fractional Block "J" of HORTON'S ADDITION, in the City of San Diego,

County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over B Street.

APN: 533-414-08 and 533-414-09

Parcel No. 2017-0162-B

(8-23-2017)

(WAR:TJM:war)

Lots 1 through 6, inclusive, in Block 2 as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, and Lots G through L, inclusive, of Block "K" of HORTON'S ADDITION according to Map thereof made by L.L. Lockling, in the City of San Diego, County of San Diego, State of California, according to Map thereof filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH all underlying fee interests in the adjoining streets if any, and all of the County of San Diego interests in the portions of the building crossings over B Street and C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-C

(8-23-2017)

(WAR:TJM:war)

All of Block "D" as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH Lots G through L, inclusive, in Block "L" of HORTON'S ADDITION, in the City of

San Diego, County of San Diego, according to Map thereof made by L.L. Lockling, filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-D

(10-02-2017)

(TJM:war)

RESERVING THEREFROM, an easement to construct and operate an underground county inmate tunnel for the pedestrian transportation of inmates between the Central Jail and the State Courthouse under and through a portion of Block 2 and portions of Union Street all as shown on Map of Middletown, and a portion of Block "K" and portions of Front Street all as shown on Horton's Addition according to Map thereof made by L.L. Lockling in the City of San Diego, county of San Diego, state of California, according to partition map thereof made by order of the reference in the case of Baldwin, et al vs. Coutts, et al, in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the office of the Clerk of San Diego County, January 1874; lying Southerly and Southeasterly of a line being 100.00 feet Northerly and Northwesterly, measured at right angles from the following described line:

COMMENCING at the Southeast corner of Block 3 of said Map of Middletown;

THENCE along the Easterly line of said Block 3, as shown on Record of Survey Map No. 19984, recorded November 30, 2007 in the office of the San Diego County Recorder, North 0°29'36" East, 98.31 feet to a point herein designated as **Point "A"**;

THENCE leaving said Easterly line, North 89°38'39" West, 0.66 feet, to the connection point with said State Courthouse basement and the **TRUE POINT OF BEGINNING**; thence retracing South 89°38'39" East, 0.66 feet to said **Point "A"**;

THENCE South 89°38'39" East, 160.34 feet;

THENCE North 66°28'04" East, 67.62 feet;

THENCE South 89°25'58" East, 124.21 feet, to the Westerly line of Block "H" of said Horton's Addition, also being the **POINT OF TERMINUS**.

The said Northerly and Northwesterly line shall be shortened so as to terminate on the centerlines of said Union and Front Streets, and the Southerly line of the hereinabove reserved easement shall terminate Easterly in the Easterly prolongation of the Southerly line of said Block "K", and shall terminate Westerly in the Westerly prolongation of the Southerly line of said Block 2.

EXCEPTING THEREFROM that portion lying above a sloping plane having an elevation of 30.00 feet along the Southerly lines of said Block 2 and said Block "K", and having an elevation of 36.50 feet along the Northerly lines of said Block 2 and said Block "K".

Elevations are based on the National Geodetic Vertical Datum of 1929 (NGVD29) based locally on the City of San Diego Benchmark at the Northeast corner of Union street and "B" streets (Benchmark No. 2569, having an elevation 41.581 feet).

TOGETHER WITH the right to extend ties and soil stabilization improvements beyond the limits of the easement if required.

It is intended that this easement shall be used to construct an underground pedestrian tunnel below any existing structures built on the land described above.

Grantor hereby further reserves reasonable and temporary rights of ingress and egress and access to the above described easement area through the property herein described as may be necessary, from time to time, to enable Grantor to effectuate the purpose of the easement as described herein.

APN: Portion 533-517-01

Restricted Use Area

PARCEL NO. 2017-0162-E

(8-23-2017)

(WAR:TJM:tjm)

Lots 1 through 6, inclusive, in Block 2 as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, and Lots G through L, inclusive, of Block "K" of HORTON'S ADDITION according to Map thereof made by L.L. Lockling, in the City of San Diego, County of San Diego,

State of California, according to Map thereof filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH all underlying fee interests in the adjoining streets if any, and all of the County of San Diego interests in the portions of the building crossings over B Street and C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-F

(8-23-2017)

(WAR:TJM:war)

All of Block "D" as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH Lots G through L, inclusive, in Block "L" of HORTON'S ADDITION, in the City of San Diego, County of San Diego, according to Map thereof made by L.L. Lockling, filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-G

(8-23-2017)

(WAR:TJM:war)

That portion of the building that is commonly known as the "County Courthouse", having the street address of 220 West Broadway, San Diego, California, that is located on and above the following described land:

That portion of Lots 4, through 6, inclusive, of the re-subdivision of Fractional Block 11 of MIDDLETOWN, and Lots G through J, inclusive, of Fractional Block "J" of HORTON'S ADDITION, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court

of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, lying Southerly of the following described line:

COMMENCING at the Southwesterly Corner of said Lot 6 of Fractional Block 11;
Thence along the Westerly line of said Fractional Block 11, North 0°28'24" East, 130.01 feet, to the **TRUE POINT OF BEGINNING**;
Thence leaving said Westerly line, South 89°30'02" East, 80.85 feet;
Thence North 37°35'18" East, 6.66 feet;
Thence South 88°57'33" East, 22.35 feet;
Thence North 0°00'00" East, 25.17 feet;
Thence South 89°31'30" East, 89.79 feet, to a Point on the East line of said Lot J of Fractional Block "J", also being the **POINT OF TERMINATION**;

TOGETHER WITH any underlying fee interests in the adjoining streets.

EXCLUDING THEREFROM all land underlying and surrounding said portion of the County Courthouse and all other structures and improvements that are located within the boundaries herein above described.

APN: 533-414-08

THE RESTRICTED USE AREA SHALL BE RESTRICTED IN COMPLIANCE WITH STATE OF CALIFORNIA GOVERNMENT CODE SECTION 70502 SUCH THAT NO NEW DETENTION FACILITY, OR AN EXPANSION OF THE CURRENTLY LEASED OR CONTRACTED BEDS IN A DETENTION FACILITY, WILL BE CONSTRUCTED IN THE RESTRICTED USE AREA.

Dated this _____ day of _____, 20____.

MARKO MEDVED, P.E., CEM, Director
Department of General Services

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the
--

STATE OF CALIFORNIA }

COUNTY OF SAN DIEGO }

SS

On _____ before me, _____, Deputy County Clerk in and for said County and State, personally appeared **Marko Medved, P.E., CEM, Director**, Department of General Services, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity and by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Ernest J. Dronenburg, Jr.,
Assessor/Recorder/County Clerk

By: _____
HUGH ROWLES - Deputy

DRAFT

EXHIBIT “D”
DEFERRED PURCHASE PRICE DECLARATION
(Begins on next page)

DRAFT

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

MAIL TAX STATEMENT TO:

**EXEMPT FROM RECORDING FEES
PURSUANT
TO GOV'T CODE § 27383**

**FORM OF
DECLARATION OF AGREEMENT TO PAY DEFERRED PURCHASE PRICE
County Courthouse and Old Jail Site, San Diego, California**

THIS DECLARATION OF AGREEMENT TO PAY DEFERRED PURCHASE PRICE (this "instrument") is made and entered into as of the _____ day of _____, 20____ ("Effective Date"), by and between the County of San Diego, a political subdivision of the State of California, ("Declarant"), and _____, a California ("Buyer").

R E C I T A L S

This instrument is made with reference to the following facts:

A. Concurrently herewith, Buyer is acquiring from Declarant: (i) that certain real property ("Property") located in the City of San Diego, County of San Diego, State of California, bounded by Union Street on the west, Front Street on the east, A Street on the north and Broadway on the south and consisting of an approximately 1.38-acre parcel of land [Assessor's Parcel Number 533-414-08 and 533-414-09] and an approximately 2.57-acre parcel of land [Assessor's Parcel Number 533-517-01], which is more particularly described in the attached Exhibit A, "Legal Description of Property," and as shown on the map attached as Exhibit B, "Location Map," (ii) all privileges, rights, easements appurtenant to the Property, and other easements and other

rights-of-way included in, adjacent to, or used in connection with the beneficial use and enjoyment of the Property, and (iii) all other buildings, structures, fences, parking areas, or improvements located upon the Property or upon the Improvements, including fixtures, systems, and equipment attached to the land or Improvements and used in connection with the operation or occupancy of the Property and Improvements (collectively, items (i)-(iii) are referred to in this instrument as the "Property").

B. Buyer's acquisition of the Property from Declarant is memorialized in that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____, 2018 (the "Purchase and Sale Agreement" on file at the office of Declarant), which is incorporated into this instrument by this reference. All capitalized terms used but not defined herein shall have the meanings set forth in the Purchase and Sale Agreement.

C. Pursuant to the Purchase and Sale Agreement, Buyer has paid Declarant at the closing for the purchase of the Property the minimum purchase price set forth in the Purchase and Sale Agreement of _____ (the "Minimum Purchase Price").

D. The City of San Diego land use regulations governing the use and development of the property in effect on the date of this instrument are hereinafter referred to as the "Existing Land Use Regulations."

E. Pursuant to the Purchase and Sale Agreement, Buyer and Declarant have agreed to work cooperatively to change the Existing Land Use Regulations (if feasible) to permit a mix of commercial and residential uses in order to maximize the value of the Property. If Buyer and Declarant are successful under the terms of the Purchase and Sale Agreement, Buyer may be obligated to pay Declarant additional amounts as a deferred purchase price ("Deferred Purchase Price"), calculated based upon the permitted uses of the Property under the land use entitlements adopted by the City changing the Existing Land Use Regulations ("Entitlements"). These Entitlements may require a general plan amendment, subdivision map, zoning approval, site development permit, conditional use permit, and other approvals for the Property that are required for Buyer's intended development of the Property.

F. In connection with the acquisition of the Property, Buyer has represented to Declarant that it is acquiring the Property subject to its obligation to pay the Deferred Purchase Price if due, and Declarant is selling the Property to Buyer on the basis of Buyer's continuing obligations to pay the Deferred Purchase Price, if due in accordance herewith.

G. But for such representations by Buyer, and the covenants of Buyer contained herein, Declarant would not have sold the Property to Buyer; instead, Declarant would have sold the Property to another party willing to pay the Deferred Purchase Price.

NOW, THEREFORE, in consideration of the foregoing (including the sale of the Property by Declarant to Buyer), and other good and valuable consideration, the receipt and adequacy of

which are hereby acknowledged by Buyer, the parties hereto agree as follows:

R E S T R I C T I O N S

ARTICLE I GENERAL PROVISIONS

1.01. STATEMENT OF GENERAL PURPOSES. The purpose of this instrument is to secure payment of the Deferred Purchase Price, if payable in accordance with this instrument.

1.02. CERTAIN DEFINITIONS.

(a) “Affiliate” shall mean a person or entity owned or controlled by or under common control with a person or entity described in this instrument or any of the spouses, ancestors, or lineal descendants of natural persons who control such person or entity or a trust for the benefit of the spouses, ancestors or lineal descendants of such natural persons in control of such person or entity. For purposes hereof, “control” shall mean management of the day to day operations of such person or entity and, in the case of a corporation, ownership of at least fifty-one percent (51%) of all classes of outstanding voting stock of such corporation, and, in the case of a partnership, ownership as a general partner of at least fifty-one percent (51%) of the interest in profits and losses and/or cash flow of such partnership.

(b) “Buyer” shall mean the Buyer identified above and each and every successor, assignee, owner, lessee, licensee or other occupant during its ownership or occupancy of the Property or any portion thereof or interest therein, as the context may require through (and only through) the Termination Date.

(c) “Cash Equivalent” shall mean a wire transfer of funds or other good and immediately available funds.

(d) “Declarant” shall mean the County of San Diego and all successors, assigns or designees who shall assume the obligation and to whom the County of San Diego shall specifically assign in writing the right to enforce these Restrictions.

(e) “Termination Date” shall mean the earliest to occur of:

- (i) The date of payment of the Deferred Purchase Price for the Property; or
- (ii) The date of issuance of a certificate of occupancy by the City for improvements constructed on the Property pursuant to the Existing Land Use Regulations; provided, however, that if subsequent to such date but prior to the date set forth in clause (iii), below, Buyer or any successor in interest shall obtain Entitlements for any portion of the Property as to which

- a certificate of occupancy has not been issued by the City (a “Subsequent Phase”), then the Termination Date shall not be deemed to have occurred as to such Subsequent Phase until Buyer (or such successor) has paid the Deferred Purchase Price, if any, owed as a result of such Entitlements; or
- (iii) The date which is the later of: (y) _____ years after the date of conveyance of the Property to Buyer, or (z) _____ years after the Effective Date.

ARTICLE II

OBLIGATION TO PAY DEFERRED PURCHASE PRICE

2.01. GENERAL RESTRICTIONS. The failure of Buyer to pay the Deferred Purchase Price if and when owed pursuant to this instrument shall, at Declarant’s option, constitute a default hereunder and a breach of this instrument, which shall entitle Declarant to exercise any of the rights and remedies set forth below.

2.02. DEFERRED PURCHASE PRICE.

(a) PAYMENT OF DEFERRED PURCHASE PRICE. Within thirty (30) days following receipt of the Entitlements, Buyer shall pay to Declarant in Cash Equivalent the Deferred Purchase Price, if any is due and owing, determined as set forth below.

(b) DETERMINATION OF DEFERRED PURCHASE PRICE. The Deferred Purchase Price is equal to the positive difference, if any, between the Minimum Purchase Price and a sum calculated based upon the Entitlements. Such calculated sum shall equal the following:

[TBD]

(c) TERMINATION OF OBLIGATION TO PAY DEFERRED PURCHASE PRICE. This instrument and the obligation to pay the Deferred Purchase Price shall terminate on the Termination Date.

ARTICLE III

ENFORCEMENT

3.01. GENERAL PURPOSE AND CONSTRUCTIVE NOTICE. The obligation to pay the Deferred Purchase Price as set forth in this instrument shall run and pass with each and every portion of the Property, be binding upon Buyer, its successors and assigns until the Termination Date and shall be enforceable solely by Declarant notwithstanding any transfers of property of Declarant benefited by this instrument, or any portion thereof by Declarant. Every person or entity who now or hereafter owns or acquires any right, title or interest in or to any portion of the Property prior to the Termination Date is and shall be conclusively deemed to have consented and agreed

to every provision, covenant, condition, right and limitation contained herein, whether or not any reference to this instrument is contained in the instrument by which such person acquired an interest in the Property.

3.02. DEFAULT AND GENERAL REMEDIES. In the event of any breach, violation or failure to pay the Deferred Purchase Price which has not been cured within the cure period set forth below, Declarant at its sole option and discretion may enforce any one or more of the following remedies or any other rights or remedies to which Declarant may be entitled by law or equity, whether or not set forth herein. The cure period shall commence when written notice is given to Buyer of a violation hereunder and shall end ten (10) days thereafter. To the maximum extent allowable by law, all remedies provided herein or by law or equity shall be cumulative and not exclusive. ·

(a) DAMAGES. Declarant may bring a suit for damages for any compensable breach of or noncompliance with the obligation to pay the Deferred Purchase Price.

(b) MORTGAGE LIEN. In addition to any other rights or remedies hereunder, should a default by Buyer not be timely cured, Declarant may deliver to Buyer and record in the Official Records of the County of San Diego a notice of default and election to sell the Property. Thereafter, unless all amounts legally due and owing to Declarant have been paid, and provided that all of the requirements of Sections 2920 et seq. of the California Civil Code and of all other applicable statutes have been satisfied, Declarant, or such trustee as Declarant may appoint ("Trustee"), may cause the Property to be sold at such time and place as may be fixed in said notice of sale or at such time and place to which the sale may be postponed as hereinafter provided without additional notice, either as a whole or in separate parcels, and in such order as Declarant or its Trustee alone may determine, at public auction to the highest bidder for cash in lawful money of the United States at the time of sale, or upon such other terms as Declarant or its Trustee may consider advisable. Buyer shall have no right to direct or determine whether the Property shall be sold as a whole or in separate parcels, or the order of sale of separate parcels or the portion of the Property to be sold if only a portion is sold. Declarant or its Trustee may postpone the sale of the Property by public announcement thereof at the time and place of sale and from time-to-time thereafter by public-announcement at the time and place of the preceding postponement. In conducting or postponing any such sale, Declarant may act through its agents, officers or employee's or any other person designated by Declarant, whether or not such party shall be a licensed auctioneer. At such sale, Declarant or its Trustee shall cause to be delivered to the buyer or buyers, one or more duly executed deed or deeds conveying the property so sold, subject to all the provisions of this instrument, but without any covenant or warranty, either express or implied. The recitals in such deed or deeds with regard to any matters of fact shall be conclusive proof of the truthfulness thereof against the buyer at such sale, its successors and assigns, and all other persons. Any person or entity, including, without limitation, Declarant, may bid in or purchase at such sale. The proceeds of such sale shall be applied as follows: first, to the expenses of sale incurred by Declarant, including reasonable attorneys' fees; next, to the Deferred Purchase Price; and finally, to the person or persons legally entitled thereto. As an alternative to the foregoing, Declarant may elect to foreclose the lien secured hereby by judicial action, in which event Buyer

shall be liable for the expenses incurred by Declarant in connection therewith, including reasonable attorneys' fees. To the maximum extent permitted by law, Buyer hereby waives any applicable statute of limitations, provided that the lien created herein shall expire on the Termination Date. Notwithstanding the foregoing, if Buyer's default is timely cured in accordance with this instrument or applicable law, Declarant shall, upon request by Buyer, record at Buyer's expense an appropriate notice of rescission in accordance with the applicable provisions of the Civil Code of California.

ARTICLE IV MISCELLANEOUS

4.01. WAIVER. No waiver, consent or approval by Declarant of a breach hereof by Buyer and no delay or failure to enforce the obligation to pay the Deferred Purchase Price shall be construed or held to be a waiver of any succeeding or preceding breach of the same obligation. No waiver of any breach or default of Buyer hereunder shall be implied from any omission by Declarant to take any action on account of such breach or default if such breach or default persists.

4.02. ADVANCES BY DECLARANT. Declarant shall be entitled to advance any sums Declarant deems necessary, in its sole discretion, to protect and preserve the security for its rights and interest under this instrument (including, but not limited to, sums for completion of construction of any improvements on the Property, any property taxes or assessments, insurance premiums, or amounts secured or represented by encumbrances or liens or other charges on any portion of the Property which appear to be prior to Declarant's rights and interest under this instrument), all of which advances (together with interest at the maximum rate then permitted by law) shall be secured by the lien of this instrument described in Section 3.02(b) above, and shall be subject to the power of sale provisions in this instrument if Buyer fails to reimburse Declarant for such advances within ten (10) days after demand from Declarant.

4.03. COSTS OF ENFORCEMENT. In the event any legal or equitable action or proceeding shall be instituted between Declarant and Buyer to enforce any provision of this instrument, the party prevailing in such action shall be entitled to recover from the losing party all of its costs, including court costs and reasonable attorneys' fees, charges and reimbursements.

4.04. ASSIGNMENT BY DECLARANT. Any and all of the rights, powers, duties and reservations of Declarant herein contained may be assigned to any person or entity which will assume the duties of Declarant pertaining to the particular rights, powers and reservations assigned; and upon any such portion or entity evidencing its consent in writing to accept such assignment and assume such duties, such assignee shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein.

4.05. TERMINATION OR AMENDMENT. This instrument may be amended, modified or extended, in whole or in part, only by recordation in the Official Records of the County of

San Diego of a proper instrument duly executed and acknowledged by Declarant and Buyer to that effect. This instrument shall terminate and be of no further force or effect on the Termination Date.

4.06. CAPTIONS. The captions used herein are for convenience only and are not a part of this instrument and do not in any way limit or amplify the scope or intent of the terms and provisions hereof.

4.07. INVALIDITY OF PROVISION. If any provision of this instrument as applied to Declarant or Buyer or to any circumstance shall be adjudged by a court of competent jurisdiction to be void, invalid, illegal or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this instrument, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of the instrument as a whole.

4.08. NOTICES. All notices, consents, requests demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given if and when personally served or forty-eight (48) hours after being sent by United States registered mail, return receipt requested, postage prepaid, to the other party at the following respective addresses:

If to Declarant: County of San Diego
Department of General Services
Attention: Marko Medved, P.E., CEM, Director
5560 Overland Avenue
Suite 410
San Diego, California 92123
Telephone: 858-694-2291 [Real Estate Services Division]
Facsimile: 858-694-2369 [Real Estate Services Division]

If to Buyer: _____
Attention: _____

Telephone: _____
Facsimile: _____

With a copy to: _____
Attention: _____

Telephone: _____
Facsimile: _____

or at such other address as the Declarant of the Buyer may designate to the other in writing.

4.09. APPLICATION TO DECLARANT. Notwithstanding anything herein contained to the contrary, if Declarant reacquires title to the Property or any portion thereof at any time after the date hereof, the Restrictions shall automatically cease and terminate and be of no further force or effect as to Declarant and such property, effective as of the date of such reacquisition by Declarant.

4.10. TIME OF THE ESSENCE. Time is of the essence of each provision of this instrument in which time is an element.

4.11. OTHER RESTRICTIONS. This instrument may not be the exclusive source of restrictions on the use of the Property, and nothing herein contained shall prejudice or diminish in any way Declarant's rights under any other documents of record from time to time affecting all or any portion of the Property.

4.12. EFFECTIVE DATE. Declarant and Buyer have duly executed this Agreement as of the day and year written below. This Agreement shall be effective as of the date of its execution by the County's Director of the Department of General Services.

Declarant:

County of San Diego,
a political subdivision of the State of California

Date: _____

By: _____
Marko Medved, P.E., CEM, Director
Department of General Services

Buyer:

Date: _____

By: _____

EXHIBIT "A"
LEGAL DESCRIPTION OF PROPERTY

Parcel No. 2017-0162-A

(8-23-2017)

(WAR:TJM:tjm)

Lots 1 through 6, inclusive, in Block 2 as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, and Lots G through L, inclusive, of Block "K" of HORTON'S ADDITION according to Map thereof made by L.L. Lockling, in the City of San Diego, County of San Diego, State of California, according to Map thereof filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH all underlying fee interests in the adjoining streets if any, and all of the County of San Diego interests in the portions of the building crossings over B Street and C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-B

(8-23-2017)

(WAR:TJM:war)

All of Block "D" as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH Lots G through L, inclusive, in Block "L" of HORTON'S ADDITION, in the City of San Diego, County of San Diego, according to Map thereof made by L.L. Lockling, filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-C

(8-23-2017)

(WAR:TJM:war)

Lots 1 through 6, inclusive, of the re-subdivision of Fractional Block 11 of MIDDLETOWN, and Lots G through L, inclusive, of Fractional Block "J" of HORTON'S ADDITION, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over B Street.

APN: 533-414-08 and 533-414-09

EXHIBIT "B"
LOCATION MAP

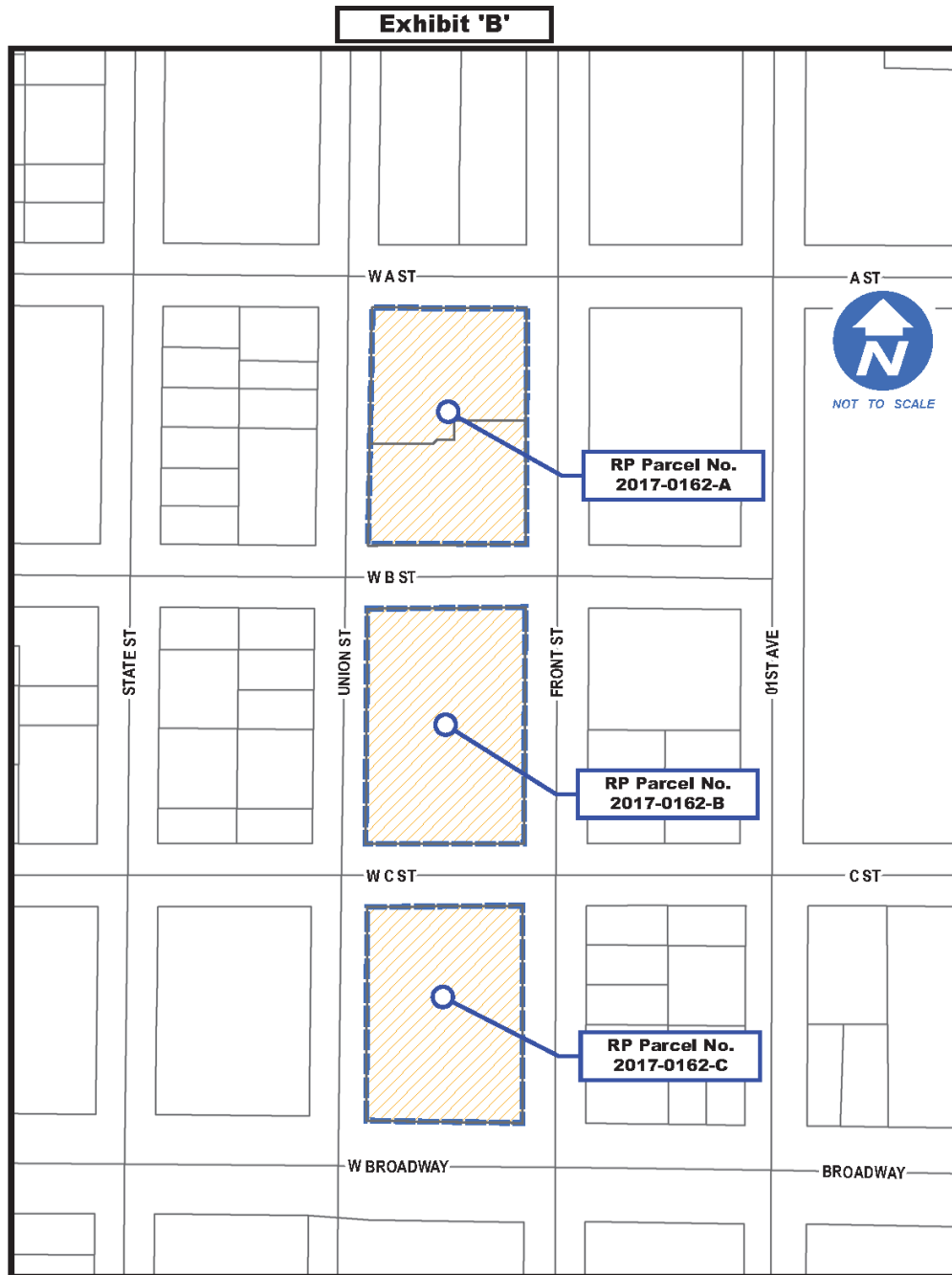


EXHIBIT “E”
ASSIGNMENT OF LEASE FORM
(Begins on next page)

DRAFT

ASSIGNMENT OF LEASE

This Assignment and Assumption of Lease ("Assignment") is made as of _____, 2018, by and between County of San Diego, a political subdivision of the State of California, ("County") and _____, a _____ ("Assignee").

RECITALS

- A. County is the lessor under that certain lease agreement ("Lease") dated _____ with _____, a _____ as lessee for _____ ("Property"). A copy of the Lease is attached hereto as Exhibit A.
- B. County intends to sell and Assignee intends to buy the Property pursuant to that certain Purchase and Sale Agreement and Joint Escrow Instructions dated _____.
- C. County desires to assign its right, title, and interest in, to, and under the Lease to Assignee, and Assignee desires to accept that assignment on, and subject to, all of the terms and conditions in this Assignment.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the County and Assignee agree as follows:

1. Assignment and Assumption. County assigns to Assignee all of its rights, title and interest in, to, and under the Lease. Assignee accepts this assignment, assumes all of County's obligations under the Lease, and agrees to be bound by all of the provisions of the Lease and to perform all of the obligations of the lessor under the Lease from and after the effective date of this Assignment. The assignment and assumption is made on, and is subject to, all of the terms, conditions, and covenants of this Assignment.
2. Indemnification. Assignee shall defend, indemnify, and hold County harmless from all costs, expenses, claims, causes of action and damages (including, without limitation, reasonable attorneys' fees and costs), which arise in connection with the Lease from and after the date of this Assignment.
3. Further Assurances. County and Assignee shall perform any further acts and execute and deliver any additional documents and instruments that may be reasonably required to carry out the provisions of this Assignment and the intentions of County and Assignee.

4. Entire Agreement. This Assignment together with all exhibits attached to this Agreement, constitutes the entire agreement between County and Assignee with respect to the subject matter contained in this Assignment. All prior or contemporaneous agreements, understandings, representations, warranties and statements, oral or written, are superseded.

5. Governing Law. This Agreement shall be governed, interpreted, construed and enforced in accordance with the laws of the State of California.

6. Severability. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

SIGNATURES

County and Developer have duly executed this Agreement as of the day and year written below. This Agreement shall be effective after execution of both parties and on the date that title of the Property transferring to Assignee.

County of San Diego,
a political subdivision of the State of California

Date: _____

By: _____
Marko Medved, P.E., CEM, Director
Department of General Services

BUYER:

Date: _____

By: _____

EXHIBIT “F”
TEMPORARY CONSTRUCTION EASEMENT

(Begins on next page)

DRAFT

RECORDING REQUESTED BY DEPARTMENT OF GENERAL
SERVICES FOR THE BENEFIT OF THE COUNTY OF SAN DIEGO
PER GOVERNMENT CODE SECTION 27383

**WHEN RECORDED, PLEASE RETURN
THIS INSTRUMENT TO:**

(MAIL STATION A45)

Clerk, Board of Supervisors
San Diego County Administration Center
1600 Pacific Highway
San Diego, California 92101

SPACE ABOVE FOR RECORDER'S USE ONLY

EASEMENT

TEMPORARY CONSTRUCTION

NO TRANSFER TAX DUE

**Assessor's Parcel
No.:**

**Project:
W.A. No.:
Parcel No.:
Log No.:
Fund:**

_____ the undersigned, herein designated **GRANTOR(S)**, owner(s) of the hereinafter described lands, for a valuable consideration, the receipt of which is hereby acknowledged, does hereby GRANT and CONVEY to the **COUNTY OF SAN DIEGO**, and its agents and contractors, herein designated **GRANTEE**, a TEMPORARY CONSTRUCTION EASEMENT AND RIGHT-OF-WAY upon, through, under, over and across the hereinafter described real property for Grantee's use necessary to for installation, construction, demolition, operation, maintenance, repair, replacement, and reconstruction of 1) constructing an inmate tunnel connecting the

County's downtown jail ("Central Jail") located at 1137 Front Street to the State of California-owned new central court facility ("New Courthouse") at 1140 Union Street, including construction of improvements inside and adjacent to Central Jail and New Courthouse to accommodate the tunnel, ("Inmate Tunnel") and (2) abating and demolishing of the Old County Courthouse located on the Property, including abatement and demolition of two pedestrian bridges connecting the Old County Courthouse to the Central Jail and Hall of Justice and repair work to the remaining facilities caused by the demolition of the bridges, ("Demolition") with the right to remove buildings, structures, trees, bushes, undergrowth, flowers, and any other obstructions interfering with the use of said easement and right-of-way by Grantee, its successors or assigns, and in addition thereto, the right to grade, place or remove soil, equipment and other materials within said right-of-way and easement and to use the same in such manner and at such locations as said Grantee may deem proper, needful or necessary in the construction, demolition, reconstruction and maintenance of said Inmate Tunnel or Demolition or structures appurtenant thereto.

Parcel No. 2017-0162-A1

(8-23-2017)

(WAR:TJM:tjm)

Lots 1 through 6, inclusive, in Block 2 as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874, and Lots G through L, inclusive, of Block "K" of HORTON'S ADDITION according to Map thereof made by L.L. Lockling, in the City of San Diego, County of San Diego, State of California, according to Map thereof filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH all underlying fee interests in the adjoining streets if any, and all of the County of San Diego interests in the portions of the building crossings over B Street and C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-B1

(8-23-2017)

(WAR:TJM:war)

All of Block "D" as shown on Map of MIDDLETOWN, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case

of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH Lots G through L, inclusive, in Block “L” of HORTON’S ADDITION, in the City of San Diego, County of San Diego, according to Map thereof made by L.L. Lockling, filed in the Office of the Clerk of San Diego County, June 1871.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over C Street.

APN: Portion 533-517-01

Parcel No. 2017-0162-C1

(8-23-2017)

(WAR:TJM:war)

Lots 1 through 6, inclusive, of the re-subdivision of Fractional Block 11 of MIDDLETOWN, and Lots G through L, inclusive, of Fractional Block “J” of HORTON’S ADDITION, in the City of San Diego, County of San Diego, State of California, according to Partition Map thereof made by order of the reference in the Case of Baldwin, et al. vs. Coutts, et al., in the District Court of the Eighteenth Judicial District of the State of California, by J.E. Jackson, filed in the Office of the Clerk of San Diego County, January 1874.

TOGETHER WITH any underlying fee interests in the adjoining streets, if any, and all of the County of San Diego interests in the portions of the building crossings over B Street.

APN: 533-414-08 and 533-414-09

Dated this _____ day of _____, 2018.

STATE OF _____ }
COUNTY OF _____ } SS

On _____ before me, _____
_____, a Notary Public,
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies) and by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

FOR NOTARY SEAL OR STAMP

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

This is to certify that the interest in real property conveyed by the foregoing deed or grant to the **County of San Diego**, a political subdivision, is hereby accepted on behalf of the Board of Supervisors of said County of San Diego pursuant to authority conferred by Resolution of said Board adopted on **October 10, 2012**, and the Grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

Thomas J. McCabe, Sr. Land Surveyor
Real Estate Services Division
Department of General Services

DRAFT